

THIRD DIVISION

[G.R. No. 176570, July 18, 2012]

**SPOUSES RAMON VILLUGA AND MERCEDITA VILLUGA,
PETITIONERS, VS. KELLY HARDWARE AND CONSTRUCTION
SUPPLY INC., REPRESENTED BY ERNESTO V. YU, EXECUTIVE
VICE-PRESIDENT AND GENERAL MANAGER, RESPONDENT.**

D E C I S I O N

PERALTA, J.:

Before the Court is a petition for review on *certiorari* under Rule 45 of the Rules of Court seeking to reverse and set aside the Decision^[1] and Resolution^[2] dated November 30, 2006 and February 8, 2007 of the Court of Appeals (CA) in CA-G.R. CV No. 69001. The CA Decision affirmed the Orders of the Regional Trial Court (RTC) of Bacoor, Cavite, Branch 89, dated September 28, 1998 and May 6, 1999, while the CA Resolution denied petitioners' Motion for Reconsideration.

The factual and procedural antecedents of the case are as follows:

On March 3, 1995, herein respondent filed with the RTC of Bacoor, Cavite a Complaint for a Sum of Money and Damages against herein petitioners alleging as follows:

x x x x

(3) During the period of November 19, 1992 to January 5, 1993, defendants [herein petitioners] made purchases of various construction materials from plaintiff corporation [herein respondent] in the sum of P259,809.50, which has not been paid up to the present time, both principal and stipulated interests due thereon. (4) Plaintiff made several demands, oral and written, for the same defendants to pay all their obligations due plaintiff herein, but defendants fail and refuse to comply with, despite demands made upon them, to the damage and prejudice of plaintiff. x x x x

WHEREFORE, premises considered, it is most respectfully prayed of this Honorable Court that judgment be rendered in favor of plaintiff and against defendants by ordering defendants to pay the sum of:

(1) P259,809.50 as principal obligation due plaintiff, plus interest due thereon at 14% interest per annum, until all sums due are paid in full.

(2) P64,952.38 by way of reimbursements of attorney's fees

plus P500.00 appearance fee in court.

(3) P26,000.00 for litigation and other related expenses. And to pay the cost of suit.^[3]

In their Answer to Complaint,^[4] petitioners admitted having made purchases from respondent, but alleged that they do not remember the exact amount thereof as no copy of the documents evidencing the purchases were attached to the complaint. Petitioners, nonetheless, claimed that they have made payments to the respondent on March 4, 1994 and August 9, 1994 in the amounts of P110,301.80 and P20,000.00, respectively, and they are willing to pay the balance of their indebtedness after deducting the payments made and after verification of their account.

In a Manifestation^[5] dated July 18, 1995, petitioners stated that in order to buy peace, they were willing to pay respondent the principal sum of P259,809.50, but without interests and costs, and on installment basis.

In its Counter Manifestation,^[6] respondent signified that it was amenable to petitioners' offer to pay the principal amount of P259,809.50. However, respondent insisted that petitioners should also pay interests, as well as litigation expenses and attorney's fees, and all incidental expenses.

Subsequently, on August 11, 1995, respondent filed a Motion for Partial Judgment on the Pleadings^[7] contending that petitioners were deemed to have admitted in their Answer that they owed respondent the amount of P259,809.50 when they claimed that they made partial payments amounting to P130,301.80. Based on this premise, respondent prayed that it be awarded the remaining balance of P129,507.70. Petitioners filed their Opposition^[8] to the said Motion.

On September 11, 1995, the RTC issued an Order^[9] deferring resolution of respondent's Motion for Partial Judgment on the ground that there is no clear and specific admission on the part of petitioners as to the actual amount that they owe respondent.

On January 30, 1996, respondent filed an Amended Complaint,^[10] with leave of court, alleging that between October 1992 until January 5, 1993, petitioners purchased from it (respondent) various construction materials and supplies, the aggregate value of which is P279,809.50; that only P20,000.00 had been paid leaving a balance of P259,809.50.

In their Answer to Amended Complaint,^[11] petitioners reiterated their allegations in their Answer to Complaint.

On March 8, 1996, respondent filed a Request for Admission^[12] asking that petitioners admit the genuineness of various documents, such as statements of accounts, delivery receipts, invoices and demand letter attached thereto as well as the truth of the allegations set forth therein. Respondent basically asked petitioners to admit that the latter's principal obligation is P279,809.50 and that only

P20,000.00 was paid.

On June 3, 1996, respondent filed a Manifestation and Motion^[13] before the RTC praying that since petitioners failed to timely file their comment to the Request for Admission, they be considered to have admitted the genuineness of the documents described in and exhibited with the said Request as well as the truth of the matters of fact set forth therein, in accordance with the Rules of Court.

On June 6, 1996, petitioners filed their Comments on the Request for Admission^[14] stating their objections to the admission of the documents attached to the Request.

On January 24, 1997, respondent filed its Second Amended Complaint,^[15] again with leave of court. The amendment modified the period covered by the complaint. Instead of October 1992 to January 5, 1993, it was changed to July 29, 1992 until August 10, 1994. The amendment also confirmed petitioners' partial payment in the sum of P110,301.80 but alleged that this payment was applied to other obligations which petitioners owe respondent. Respondent reiterated its allegation that, despite petitioners' partial payment, the principal amount which petitioners owe remains P259,809.50.

Petitioners filed their Answer to the Second Amended Complaint^[16] denying the allegations therein and insisting that they have made partial payments.

On September 4, 1997, respondent filed a Motion to Expunge with Motion for Summary Judgment^[17] claiming that petitioners' Comments on respondent's Request for Admission is a mere scrap of paper as it was signed by petitioners' counsel and not by petitioners themselves and that it was filed beyond the period allowed by the Rules of Court. Respondent goes on to assert that petitioners, in effect, were deemed to have impliedly admitted the matters subject of the said request. Respondent also contended that it is already entitled to the issuance of a summary judgment in its favor as petitioners not only failed to tender a genuine issue as to any material fact but also did not raise any special defenses, which could possibly relate to any factual issue.

In their Opposition to Motion to Expunge with Motion for Summary Judgment,^[18] petitioners argued that respondent's request for admission is fatally defective, because it did not indicate or specify a period within which to answer; that verification by petitioners' counsel is sufficient compliance with the Rules of Court; that petitioners' request for admission should be deemed dispensed with and no longer taken into account as it only relates to the Amended Complaint, which was already abandoned when the Second

Amended Complaint was filed; and that summary judgment is improper and without legal basis, as there exists a genuine controversy brought about by petitioners' specific denials and defenses.

On September 28, 1998, the RTC issued an Order, the dispositive portion of which reads as follows:

ACCORDINGLY, plaintiff's [herein respondent's] Motion to Expunge with Motion for Summary Judgment is hereby GRANTED.

Defendants' [Petitioners'] "Comments on the Request for Admission" dated 04 June 1996 is hereby expunged from the record for being contrary to the Rules of Court.

Judgment is hereby rendered in favor of the plaintiff and against the defendants as follows:

Defendants are hereby ordered to pay, jointly and severally, plaintiff the sum of TWO HUNDRED FIFTYNINE [THOUSAND] EIGHT HUNDRED NINE PESOS and 50/100 (P259,809.50), with legal interest due thereon until the whole amount is paid.

SO ORDERED.^[19]

Petitioners filed a Motion for Reconsideration, but it was denied by the RTC in its Order dated May 6, 1999.

Unyielding, petitioners filed an appeal with the CA.

On November 30, 2006, the CA rendered its presently assailed Decision, affirming the September 28, 1998 and May 6, 1999 Orders of the RTC.

Petitioners' Motion for Reconsideration was subsequently denied by the CA *via* its Resolution dated February 8, 2007.

Hence, the instant petition for review on *certiorari* raising the following issues:

THE HONORABLE COURT SHOULD NOT HAVE DENIED DEFENDANTS-APPELLANTS' (PETITIONERS) COMMENT AND RULED THAT THERE WAS IMPLIED ADMISSION CONTAINED IN THE REQUEST.

THERE SHOULD NOT HAVE BEEN A SUMMARY JUDGMENT AGAINST DEFENDANTS-APPELLANTS (PETITIONERS).^[20]

In their first assigned error, petitioners insist in arguing that respondent waived its Request for Admission when it filed its Second Amended Complaint; that all motions or requests based on the complaint, which was amended, should no longer be considered. Petitioners also contend that the Request for Admission was not in the form specified by the Rules of Court as it did not specify a period within which to reply as required by Section 1, Rule 26 of the same Rules.

As to the second assignment of error, petitioners aver that the summary judgment issued by the RTC is improper and without legal bases, considering that genuine issues were raised in the pleadings filed by petitioners.

The petition lacks merit.